

Nadler: "Bush Board" is FEMA-tizing Amtrak

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WASHINGTON, D.C. — The House Transportation & Infrastructure Committee's Railroads Subcommittee held a hearing today on "Current Governance Issues at Amtrak." At the hearing, Congressman Jerrold Nadler condemned Amtrak's Board of Directors as lacking relevant experience and bent on destruction of federally funded passenger rail service in America. Nadler's remarks follow as prepared for delivery.

"Thank you, Chairman LaTourette and Ranking Member Brown for holding this hearing on 'Current Governance Issues at Amtrak.' Although, I think that title is a little misleading. Now that David Gunn has been fired as President of Amtrak, there currently is no governance at Amtrak. I mean no disrespect to Mr. Hughes, who has been appointed Acting President following David Gunn's firing, but I think it is obvious what is going on here. The Amtrak Board of Directors has become a front for the Bush Administration and people who want to destroy Amtrak. Their goal is to dismantle the railroad. When Mr. Gunn refused to go along with the 'Bush Board' on actions that would cripple the railroad, most notably the spin-off of the Northeast Corridor, he was fired.

The 'Bush Board' had to resort to these tactics because the Administration cannot get Congress to do its bidding and break up Amtrak. Earlier this year, the Bush Administration requested that Amtrak's funding be eliminated completely, and tried to force it into bankruptcy. In response, the House and Senate both voted overwhelmingly to increase funding for. In fact, the Transportation Appropriations Conference Report that is expected to be filed this week contains about \$1.3 billion for Amtrak, which is higher than any funding level in Amtrak's history. In September, the Board suddenly approved a resolution to spin off the Northeast Corridor and create a new subsidiary. The Senate responded last week by passing Senator Lott's Amtrak reauthorization as an amendment to the Deficit Reduction Bill by a vote of 93-6. This reauthorization bill would maintain Amtrak as is while taking measures to enhance the railroad, not dismantle it.

The 'Bush Board' is trying to subvert the will of the Congress and of the people by destroying Amtrak behind closed doors. I am sure we will hear a lot today about management, and about how the Board wants to move Amtrak in a new direction. We may even hear about this GAO Report which looks at the minutiae of management practices, without looking at the broader context of how a railroad is run, and without acknowledging Amtrak's performance results.

The record will show that 2005 was a good year for Amtrak. David Gunn saw Amtrak through some very tough times financially, as well as through various Acela problems, Hurricane Katrina, natural disasters on the West Coast, and rising diesel fuel prices. Despite all of this, ridership has increased, Amtrak is not in bankruptcy, and in fact, Amtrak expects its year-end available operating cash to be more than \$120 million.

David Gunn is a straight shooter who has made a number of common sense management reforms to help the railroad run efficiently. He has over 40 years of experience in this business. He came out of retirement in 2002 to help Amtrak run a successful passenger service. And yet, Amtrak is now being run by a Board made up Members who have virtually NO experience in passenger rail. When David Gunn voiced his concerns about some of the bad decisions the Board was making, he was fired. In short, Mr. Gunn was fired because he would not agree with 'FEMA-tizing' Amtrak. His firing is a sign of the lengths Amtrak opponents will go to in order to eliminate passenger rail service in this country. It must be stopped.

I want to know what gives the Board the right to thumb its nose at Congress, and take drastic actions, such as spinning off the Northeast Corridor. I want to know on what grounds David Gunn was fired. The Board issued a press release claiming that Amtrak 'needed to intensify the pace and broaden the scope of its reforms.' Exactly what reforms is the Board referring to? That same release mentions the strategic reform plan that the Board approved in April, and says that Amtrak needs 'a leader with vision and experience to get the job done.' Well, that strategic reform initiative does not call for spinning off the Northeast Corridor. In fact, it states that such an action would be

‘inadvisable.’ It would seem that David Gunn is more committed to the strategic reform plan than is the Board. It seems to me that it is the Board that should be replaced, not Mr. Gunn.

I find this whole situation very disturbing. Amtrak is a vital part of our national transportation system. The American people recognize that, and so does Congress. Yet, the Board is taking sudden, drastic actions that threaten our intercity passenger service. The only entity that seems to support the Board is the Bush Administration and a very small number of Members of Congress. The American people, and the millions of people who ride Amtrak every year, deserve to know the Board’s motivation. They deserve to know what will happen to Amtrak in the future. And they deserve the right to try to stop the Board’s open conspiracy to subvert the law and to dismantle Amtrak.

I hope this hearing will produce some answers, and ultimately shed some light on this situation so that Congress can protect Amtrak in the future.”

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